



## The Treasurer

*Brother ..... you have been elected Treasurer of this Lodge, and I have great pleasure in investing you with the jewel of your office. It will be your province to keep a just account of the receipts and expenditures, which we fully believe will be done to the entire satisfaction of every member.*

Installation, Canadian Work, Grand Lodge of British Columbia and Yukon

### treasurer

[ˈtreɪzə(r)]

NOUN

a person appointed to administer or manage the financial assets and liabilities of a society, company, local authority, or other body.

## Historical

Very much like the position of Secretary the oldest craft regulation concerning the appointment of a lodge treasurer is to be found in the Second Shaw Statutes dated December 28, 1599 primarily addressed to the Lodge of Kilwinning but with provisions that applied equally to all lodges in Scotland.

*“The warden and deacon, together with the masters of the district (quarter maisteries) shall elect a well-known notary (constituted famous notary) as clerk and secretary (scribe) who shall make out and sign all indentures, discharges, and other writings whatsoever, pertaining to the craft, and no writ, title or other evidence shall be admitted by the warden and deacon, except it shall have been executed by this clerk and signed by him.”*

The statute required the senior officers of the lodge to ‘elect, choose and constitute “a famous notary” (i.e. a reputable notary or lawyer) to act as clerk and scribe and to be responsible for drawing up all indentures and other documents relating to apprenticeship, as well as other documents relating to lodge activities. No document was official and recognized as valid until it was “made” by the clerk. The clerk in those days was paid a modest income for his services. Subsequent regulations by Kilwinning lodge indicated that every apprentice at his “booking” paid the clerk or secretary 40 pence (Scots money)

The minutes of the early meetings of Killwinning Lodge show:

“In the Lodge of Kilwinning convenit of the maistris craft the persons following and Inrollit thame selfis in the said Lodge and submittit thame selfis thairunto and to the actis and statutis thairof..” followed by the names of 26 apprentices and fellows-of-craft all with their marks. No other business was recorded. One of the concerns of the lodges at that time was the collection of dues and the fines for non-attendance or fines the lodge had imposed on members for various reasons. The lodge centered on business transactions and the treasurer or clerk was responsible for recording and keeping track of these transactions and the money box for the lodge.

Second Shaw Statutes dated December 28, 1599 went on to say;

*(10) Every fellow of craft, at his entry, shall pay to his lodge ten pounds to go for the banquet, and ten shillings for gloves; before admission he shall be examined by the warden [and] deacon and the district masters in the lodge as to his knowledge [memorie] and skill, and he also shall perform an assigned task to demonstrate his mastery of the art.*

*(11) Every 'prentice, before he is admitted, shall pay six pounds to be applied to the common banquet.*

*(13) The warden of the lodge of Kilwinning, being the second lodge of Scotland, once in each year, shall examine every fellow craft and 'prentice, according to the vocation of each, as to his skill and knowledge; those who have forgotten any points they have been taught shall pay fines.*

In order to get compliance and from members of the lodge fines were clearly used as an incentive.

#### **THE TREASURER**

*“to keep a just account of the receipts and expenditures....”*

*While it is not necessary for you as Treasurer to be an expert accountant, at least a rudimentary knowledge of bookkeeping is of great value. In most lodges there is usually a qualified accountant who will be pleased to assist you in the proper maintenance of books and records. It is advisable to keep your books as simple as possible yet recording all necessary information. Your duties are: a. To see that all moneys received by the lodge are deposited in a lodge bank account. b. To make due entries and account of all moneys deposited in and withdrawn from the lodge bank account, and any other financial transactions. c. To see that all accounts owed by the lodge are approved at a Regular Communication, and are paid by cheque signed by two authorized officers. d. To see that all bonds, insurance policies, and valuable papers are placed in a bank for safe keeping, or in a safety deposit box, to which only authorized officers shall have access. e. To see that all cheque stubs, cancelled cheques, bank statements, and records are kept for examination by the financial reviewers. f. To see that all your books and records are available for examination by the District Deputy Grand Master. g. To encourage the lodge to prepare and adopt a budget. You may be required to advise the lodge on all financial questions, e.g., investments, expenses in relation to income, etc. At the end of the lodge's fiscal year, it may be necessary to assist the Secretary in preparing a comprehensive statement of its financial affairs. A financial review of your books by the appointed Financial Review Committee should be made as soon as possible, and a statement received from them that they have examined your records and found them to be correct as set out in your financial statement. Your statement should be read out at the next Regular Communication (or in accordance with the lodge bylaws) to be accepted and passed by the lodge. When there is a change of Treasurer, it shall be the duty of the outgoing Treasurer to turn over to his successor all books, records, and lodge property that have been in his possession, and to take a receipt for the same with a copy going to the Secretary. A careful study of the Constitutions of Grand Lodge and the by-laws of your lodge is most advisable, particularly those parts dealing with financial matters.*

Lodge Officers Guide, Grand Lodge of British Columbia and Yukon

## Another Opinion

The Treasurer of a private Lodge is elected (not appointed) annually. This is an indication of the importance of the position, which is one of the most highly regulated in Freemasonry. The Treasurer's role is to manage the Lodge finances by: • Budgeting subscriptions and dining fees for the ensuing year, • Collecting subscriptions and dining fees, • Paying Masonic dues and other expenses promptly, • Keeping accurate records and preparing annual accounts, and • Administering and disbursing Benevolent Funds. The key to doing it well is being organized and methodical. In a recent survey of Lodge Treasurers, the most common problems encountered were: • Collecting subscriptions, • Changing bank mandates, • Budgeting, and • Finding a successor. The intention of these notes is to offer guidance, particularly to those Treasurers who do not have experience in bookkeeping or accountancy. It is hoped that guidance in the various aspects the role entails will help to avoid some of the more common pitfalls, and to minimize any problems which might arise. The Treasurer has specific responsibilities laid down in both The Book of Constitutions and in his Lodge By-laws .

### The Treasurers Jewel



**Money** makes the world go around and like it or not it is required to operate your Lodge. As such, the stewardship of lodge operating funds should be placed into the hands of a competent, dedicated, and trustworthy member. The work of the Treasurer is done mostly outside the lodge room – he has just a small piece of ritual and does no floor work. But, don't let this fool you into thinking it is just a token position – it's not. Without an effective Treasurer working behind the scenes the functioning of the lodge will suffer and the Master will have one less person to help fulfill his goals for the year.

Like the Lodge Secretary, the Lodge Treasurer position requires the right person with the right experience and the right disposition. It requires someone with financial, technical, and

interpersonal skills. Ideally, it requires a man experienced in the Craft. As such, this is not an entry level officer position.

## **Carefully Filling the Position**

Like the Secretary, a member may suddenly find himself the Treasurer of his lodge when, for a variety of reasons, the position suddenly becomes vacant. During these times an Assistant-Lodge Treasurer should be able to seamlessly move into the position. If your lodge does not have an Assistant-Lodge Treasurer, you should seriously consider filling this position.

Given the Treasurer role is best filled with someone with a financial background, it may be difficult for some lodges to fill the position with a qualified person. If this is true, then those lodges should request guidance from Grand Lodge. However, if a man is adept at learning new material, he can learn the financial concepts required to fulfill the role. This may take time, which is why lodges should have a succession plan in place. Lodges should fill the Assistant-Treasurer position with either a qualified man or someone who can effectively learn the required financial concepts.

## **Skills and Traits**

The following material describes some skills and traits to consider for those seeking to be the Treasurer or for a nominating committee to reference when filling the office.

### ***Honesty, Integrity, and Ethics***

Above all else, the Treasurer MUST be a man of the highest honesty, integrity, and ethics, given he is entrusted with protecting the financial well-being of lodge operating funds. His duty, per his obligation, is “to take charge of the stock and other property of the Lodge, receive all moneys, keep a just and true account of the same, and pay them out by order of the Worshipful Master and consent of the Lodge”. He is vetted by the nominating committee and voted on by the lodge. As such he has won the approval of the lodge and they expect him to be a man of the utmost character and the faithful steward of lodge funds. Violating this trust is a serious matter and should not to be taken lightly. Serious infractions can subject someone to charges of fraud or embezzlement, complete with all the associated legal ramifications and possible suspension from all the rights and benefits of Freemasonry. Any man who has the least bit of doubt as to his personal character, that may in the slightest way compromise the lodge’s trust, should not assume the role of Lodge Treasurer or any other position involving lodge finances...period.

## ***Accounting Fundamentals***

Some people are not good with numbers and that's okay. They may find other suitable roles in the lodge. With that said, you don't need to be a CPA, an accountant, a banker or a financial planner to serve as treasurer; but you do need a basic or working knowledge of accounting. Balancing a check book, debits and credits, "T" accounts, balance sheet, and profit and loss statement should not be foreign terms. Although there are software packages to streamline the treasurer's work, he needs to understand what is fundamentally happening behind the scenes. There are plenty of resources to reference if you would like to strengthen your understanding of accounting, including books, seminars, formal classes and online material.

## ***Accuracy and Attention to Detail***

Accuracy and attention to detail are two key traits of an effective and competent Treasurer. Simple mistakes can have a negative impact that cause confusion and may impact the successful operation of the lodge. This is especially true for lodges that are not blessed with a hefty checkbook balance. The Master's budget impacts programming and errors in managing and accounting for receipts and disbursements may cause the Master to cancel or significantly change a given activity. Most importantly, repetitive errors contribute to the lodge members losing confidence in the careful stewardship of lodge finances.

## ***Organization***

Along with the Master and Secretary, the Treasurer must be organized. He must keep track of receipts, invoices, vouchers, tax forms, reports, etc. Doing so helps him stay on top of all the work that crosses his desk. Doing so facilitates a lodge audit and streamlines Grand Lodge and tax reporting. Doing so helps the Master measure his progress in running the lodge. Everyone has their own organization system; no one size fits all. It is important to find a system that works best for you.

Software applications take the drudgery out of common accounting and reporting activities. However, they won't automate every step, thus requiring a reliable set of personal organization skills. To acquire these skills, get a good book or check online for useful information.

## ***Timely Recordkeeping, Audit Trails, and Reporting***

The Treasurer is responsible for not only maintaining timely records that accurately reflect the financial operations of the lodge, but also for providing an accurate audit trail.

Another entity is typically responsible for investments, which may very well provide the operating income under the Treasurer's management. Although the treasurer may be an ex-officio member of that entity, his primary concern is fundamental – the well-managed daily financial operations of the lodge. As such, his activities include, but are not limited to, paying

bills; signing checks; making deposits; and processing associated paperwork like receipts, invoices, and bank statements.

As you can see, a significant amount of data must be managed and reported, and it is the Treasurer's responsibility to do so. Therefore, a software package like Quicken or QuickBooks, or a simple spreadsheet, are key recordkeeping tools. However, using a software accounting package or spreadsheet application may not be intuitive for everyone, so personal or formal training may be necessary. If so, the time taken to learn at least the basics of these tools will reap dividends downstream, especially during the lodge annual meeting, tax reporting season, and lodge audits. These are over and above the benefits the Master derives out of knowing, month to month, how he is performing against his budget.

### ***Understand Checks and Balances***

When it comes to money, no one person should handle everything; there needs to be a process of checks and balances. For example, the Secretary receives requests for payment from vendors and members. This is in the form a bill or invoice, either of which should be accompanied by a voucher. The Finance Committee (often comprised of at least the Master and Wardens) approves the request and signs the voucher. Then, the proposed payment is voted on by the lodge. Lastly, assuming approval by the lodge, the Treasurer cuts a check and forwards payment. By incorporating a pre-defined and approved process of internal controls, the lodge is following generally accepted accounting principles adhered to by every reputable company and organization. It's easy to cut corners, with the Treasurer being pressured into making a quick payment without proper authorization. This is risky on several different levels. Better to work with the Master and vendors to anticipate expenses and have the proper paperwork at the ready to provide a thorough audit trail and to support a sound process.

### ***Conflict of Interest***

Under no circumstances should there be a hint of conflict of interest on the part of anyone handling funds on behalf of the lodge. For example, two or more members of the same family should not be part of the approval process. Also, employees of a financial institution, depending on their position and company, should think twice about serving as the Lodge Treasurer. In fact, some major financial firms require employees to divulge their outside associations to prevent the perception that in fulfilling their outside role they somehow represent the financial firm. When in doubt, be extra cautious.

### ***Budget Process***

Based on training and experience the effective Secretary can provide valuable input into the budgeting process. This is especially valuable when the presiding Master is inexperienced in creating a budget to support his activities for the year. Experience will allow you to better serve the Master and lodge by allowing you to look ahead at possible recurring events, lodge history, and lodge traditions. Doing so will help ensure funding is available in a timely fashion.

## ***Time Management***

Effective time management is a skill that is professionally and personally transferable. As the Lodge Treasurer you must be aware of the time sensitive nature of the role. You can't afford, for example, to pay bills past the due date or to reimburse members after their credit card payment is due; the former can be costly and the later is rude.

Effectively managing time can be a challenge and if that is true for you it is wise to seek ways to acquire and implement sound management skills. Once again, consult a friend, a well-written book, take a seminar, or check online for a process that works for you.

## ***Interpersonal Skills***

Managing someone else's money requires the ability to calmly discuss sensitive issues and problems. Maybe it is working with the Master on his budget and trying to make ends meet. Maybe the Lodge Treasurer is not doing his job, causing you to miss timely payment of bills. Maybe one of the members has real concerns about how lodge money is spent and comes to you for answers. Each of these situations require tact, patience, and flexibility. When deciding if being the Secretary is right for you, consider your ability to work with others to meet the needs of the lodge.

## **In Closing**

Serving as a Lodge Treasurer is a fulfilling role for the qualified person. He supports the lodge and the Master, in that order, by serving as a reliable and trustworthy steward of lodges operating finances. This article provides points to consider by those seeking to serve his lodge in this capacity. In addition to expanding one's knowledge and skillset through mentors, books, classes, and online, Grand Lodge also offers treasurer information and help in becoming the Treasurer. As early as possible, take advantage of all resources at your disposal to increase your effectiveness in office.

## **References**

**The Treasurer** *Richard H. Ryder, 2018*

<https://masonicmaven.wordpress.com/2018/10/15/lodge-treasurer/>

**Lodge Officers Guide, Grand Lodge of British Columbia**